

125th Annual Report

1971

THE MONTREAL CITY AND DISTRICT SAVINGS BANK



125th ANNUAL REPORT 1971

HIGHLIGHTS

Total Assets	\$627,462,809
Savings Deposits	\$587,866,058
Mortgage Loans	\$321,929,120
Net Profits	\$ 2,577,350
Dividends	\$ 1,400,000
Capital :	
Authorized — 3,000,000 shares of a par value of \$1.00 each : \$3,000,000	
Issued and fully paid — 2,000,000 shares	\$ 2,000,000
Rest Account	\$ 19,500,000

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MONTREAL CITY AND DISTRICT TRUSTEES LIMITED

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BOARD OF DIRECTORS

***E. Donald Gray-Donald**
*President of the Bank
and Chairman of the Executive Committee*

***François-Xavier Guérard**
Vice-President and General Manager

***Jean C. Lallemant**

***Marc Jarry**

C. L. Ogden Glass

John G. Bourne

Robert R. McLernon

Louis J.-M. Gravel

Michael B. Harding

Philippe Roberge

*** Member of Executive Committee**

EXECUTIVE OFFICERS OF THE BANK

E. Donald Gray-Donald
*President of the Bank
and Chairman of the Executive Committee*

François-Xavier Guérard
*Vice-President
and General Manager*

Adrien Audet
Deputy General Manager

Austin Kennedy
*Assistant General Manager
and Secretary*

Arthur Leboeuf
Superintendent

Gilles Charpentier
*Assistant Superintendent
and Chief of Personnel*

Lionel Collin
Chief Accountant

Roland Brien
Chief Inspector

ADDRESS OF THE PRESIDENT



E. D. GRAY-DONALD

The year 1971 marked two important anniversaries for the Bank. On May 26, 1846, the Bank was founded as a cooperative enterprise so we have passed 125 years since its original founding. On April 21, 1871, it was incorporated as a joint stock company, so that we have completed 100 years as such. It has been a Montreal Bank dedicated to the service of the people of Montreal, and growing with the city. It has prospered, and we can take justifiable pride in its progress, in the firm belief that it has always unwaveringly pursued the objectives of its founders.

The past year in particular has been a good one for the Bank, and we have been able to show a very satisfactory increase in earnings. We have added a million dollars to our Rest Account and have been able, at year end, to establish our Appropriations for Losses at a higher value than ever before.

Apart from the excellent earnings picture, the Bank has made considerable progress in many other ways. We have always believed that the provision of polite, cheerful and

competent service to our customers is of prime importance, and we have intensified our efforts in this direction.

By the end of this year we expect that all our branches will be "on-line" and that at that time, not only will we be able to provide a truly unified banking system, but we shall be the first in Canada to do so.

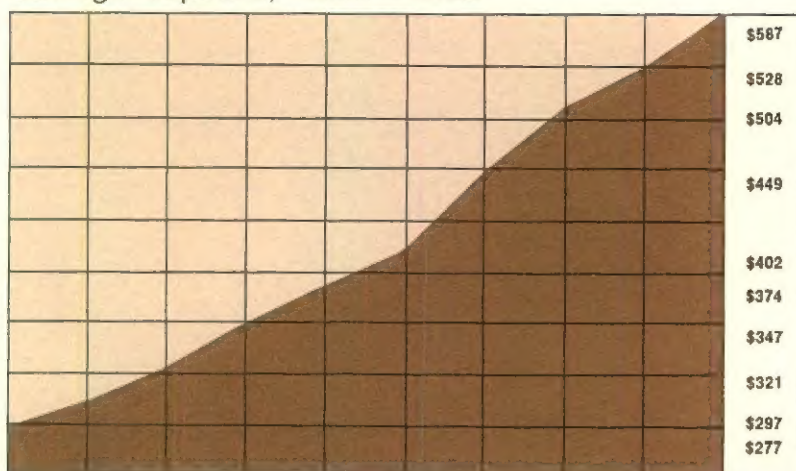
Our deposits have increased very substantially. Our aim is to provide a complete personal banking service available to all the residents of Montreal and vicinity and to further this objective we shall be opening a number of branches to serve new areas.

With the financial statements that have been mailed to you are included those of our subsidiary Montreal City and District Trustees Limited. The Trust Company, established over 30 years ago, is growing steadily. As we look upon the services offered by the Trust Company as an extension of those of the Bank we have taken steps to inform our customers more fully of the availability of those services, and expect that this will materially increase the business of the Trust Company, at the same time increasing the usefulness of the Bank to its depositors.

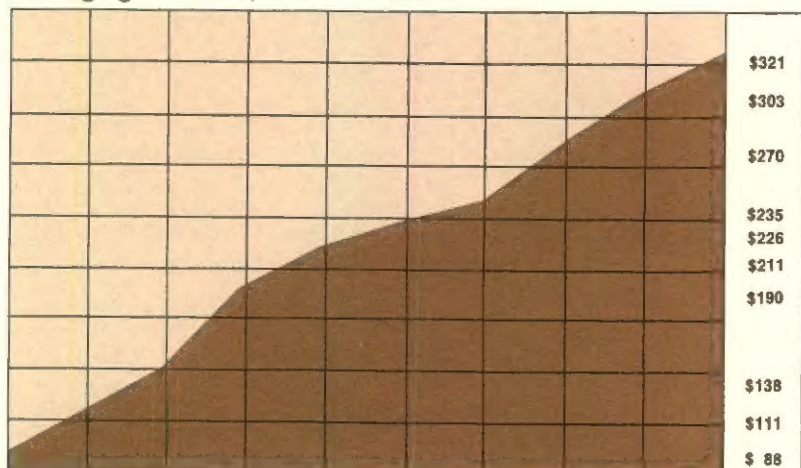
As our Bank is a savings bank operating in a restricted area it has not been involved directly in the international monetary crisis of the past year, but, also because of its nature, it cannot fail to have been affected to some extent by the consequent industrial unrest and uncertainty, and, of course, by the high rate of unemployment. Nor have things been helped by the prolonged debate on the Income Tax Act. With the devaluation of the United States dollar and adjustment of other currencies we should be able to look forward to some degree of stability in international monetary affairs. With the passage of the new Income Tax Act and the establishment of valuation days, another uncertainty has been removed. These will both help a lot, but do not in themselves solve all our problems.

The Income Tax Act is extremely complex, and will undoubtedly be revised as experience shows parts of it to be unworkable or unjust. Another uncertainty is the manner in which the legislation of the Provinces will be coordinated with that of the Federal Government

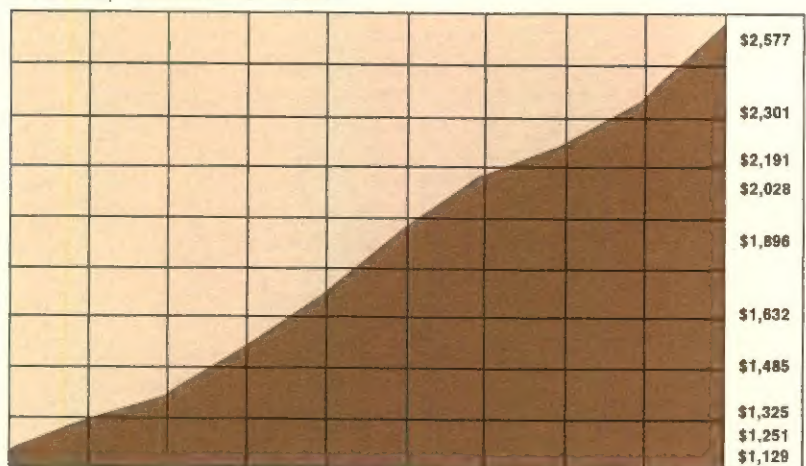
Savings deposits, millions of dollars



Mortgage loans, millions of dollars



Profits, thousands of dollars



and to what extent. The coming year should see many of these problems resolved.

The recently published economic review by the Bank of Canada presents an encouraging picture for the coming year, but at the same time warns us of potential difficulties. In the Province of Quebec there are many great projects in the planning stage, which, once started, should do much to stimulate overall activity, and reduce unemployment. I am very hopeful that in 1972 we shall see a resurgence of business within the province, in which we shall be active participants.

Your Bank may be old in years, but I can assure you that it is young in spirit. More than ever before we have a young, enthusiastic, and dynamic staff, anxious to develop and expand the Bank to new heights and greater achievement. With such backing we cannot fail to progress.

REMARKS OF THE VICE-PRESIDENT AND GENERAL MANAGER



F.-X. GUÉRARD

You have now received the One Hundred and Twenty-Fifth Annual Report of The Montreal City and District Savings Bank, comprising the Statement of Assets and Liabilities, the Statement of Revenues, Expenses and Undivided Profits and the Statement of Accumulated Appropriations for Losses. The Auditors' report has also been submitted to you.

STATEMENT OF ASSETS AND LIABILITIES

On October 31, 1971, the total assets of the Bank reached a record high of \$627,462,809 representing an increase of \$67,888,640 or 12.13% over the total of the previous year end. Cash resources, comprising monies in our tills, deposits with the Bank of Canada and other Banks amounted to \$60,012,684 or 9.56% of the Bank's deposit liabilities.

Investments in securities stood at \$191,158,295 or \$31,312,292 more than the total of \$159,846,003 on October 31, 1970. Consequently, quick assets were \$251,170,979 or 42.69% of deposit liabilities.

Loans on Mortgages at \$321,929,120 were up \$18,706,675 from \$303,222,445 a year ago.

The total of loans secured by collateral securities remained practically unchanged at \$14,248,635 while unsecured loans reached \$25,633,397 to show an increase of \$3,459,567.

During the financial year, deposits by the public increased by \$59,704,888 or 11.30% to reach a peak of \$587,866,058.

REVENUE, EXPENSES AND UNDIVIDED PROFITS

Income from loans, from securities and from all other sources reached \$47,019,338 for the financial year, an increase of \$4,684,619 over the previous year.

Expenses, comprising interest paid to depositors, salaries and staff benefits, property expenses, depreciation and all other expenses increased by \$1,773,589 to total \$39,231,397 and leave a balance of revenue for the year of \$7,787,941.

From this sum, an amount of \$3,377,661 was transferred to Accumulated Appropriations for Losses and a provision for income taxes was made in the amount of \$1,832,930, leaving a balance of profits for the year of \$2,577,350 which, compared with the balance of profits of \$2,301,229 for the previous year represents an increase of \$276,121 or 12%.

Earnings per share at \$1.29 compared with \$1.15 for the previous year.

Dividends totalling \$0.70 per share were paid during the year : two quarterly dividends of \$0.16 respectively and two of \$0.18 respectively plus an extra of \$0.02.



A branch manager offers help and advice about getting a mortgage loan.



By the end of 1972, all our branches will be operating with the "On-Line" data processing system.

After payment of dividends amounting to \$1,400,000 there remained a profit of \$1,177,350 which added to \$292,949 brought forward, gave a total of \$1,470,299 from which \$1,000,000 was transferred to Rest Account leaving as Undivided Profits \$470,299.

The Rest Account now stands at \$19,500,000.

ACCUMULATED APPROPRIATIONS FOR LOSSES

Accumulated Appropriations for Losses stood at \$7,939,368 at the beginning of the financial year. After adding a transfer from current earnings of \$3,377,661 and sums representing adjustment to market value of loans and investments, and after providing \$1,750,260 for taxes, said Accumulated Appropriations for Losses increased by \$6,579,511 and now stand at \$14,518,879.

EXPANSION OF THE BANK

We are planning the opening of 7 new branches which will be added, during the coming months, to our present network of 81 branches.

The installation of our on-line data processing system is proceeding on schedule, 56 branches are fully automated and we expect that by the end of this year all branches of The Montreal City and District Savings Bank will be integrated to form one unit at the service of the population of greater Montreal.

During the year a training center was inaugurated at Head Office. The involvement of our employees in the various seminars that were held there, indicates their eagerness to learn.

Practically all members of our supervisory personnel were active participants in Management courses and a programme on employee - customer relations is planned for 1972.

Presently, 10% of our employees are following courses given by the Canadian Bankers Institute and they receive the kind of training which makes them aware of the necessity for them to exceed the technical requirements of their work if they want to face the challenge of the coming years.

In my own name and on behalf of the Management, I take this opportunity of thanking my fellow-directors for their continued and generous support, and all the members of the staff for their sustained efforts, their devotion and their loyalty.



Members of our supervisory personnel are active participants in Management courses.



Launching of a new advertising campaign.



Pre-entry training courses for new tellers were inaugurated during the year.

STATEMENT OF ASSETS AND LIABILITIES
as at October 31, 1971

ASSETS	1971	1970
Gold and coin	\$ 308,378	\$ 311,523
Notes of and deposits with Bank of Canada and deposits with chartered banks in Canadian currency	33,681,629	27,738,027
Other bank notes and deposits with banks in currencies other than Canadian	9,578,454	3,131,586
Cheques and other items in transit, net	16,444,223	15,523,991
Securities issued or guaranteed by Canada, at amortized value	31,878,537	33,614,701
Securities issued or guaranteed by a province, at amortized value	58,685,806	52,944,562
Securities issued or guaranteed by a municipal or school corporation in Canada, not exceeding market value	43,211,688	28,608,368
Securities and shares of other Canadian issuers, not exceeding market value	57,382,264	44,678,372
Mortgages and hypothecs insured under the National Housing Act, 1954	5,692,368	6,213,754
Other mortgages and hypothecs, less provision for losses	316,236,752	297,008,691
Loans otherwise secured, less provision for losses	14,248,635	14,326,443
Loans without security, less provision for losses	25,633,397	22,173,830
Poor Fund or Charity Fund investments	180,000	180,000
Bank premises at cost, less amounts written off	12,622,325	11,652,881
Other assets	1,678,353	1,467,440
	<u>\$627,462,809</u>	<u>\$559,574,169</u>

LIABILITIES	1971	1970
Deposits by Government of Canada, In Canadian currency	\$ 535,533	\$ 672,879
Other deposits in Canadian currency	587,707,131	527,979,571
Deposits in currencies other than Canadian	158,927	181,599
Poor Fund or Charity Fund Trust	180,000	180,000
Other liabilities	2,392,040	1,827,803
Accumulated appropriations for losses	14,518,879	7,939,368
Capital:		
Authorized — 3,000,000 shares of a par value of \$1.00 each: \$3,000,000		
Paid up — 2,000,000 shares issued and fully paid	2,000,000	2,000,000
Rest account	19,500,000	18,500,000
Undivided profits	470,299	292,949
	<u>\$627,462,809</u>	<u>\$559,574,169</u>

E. Donald Gray-Donald
President

François-Xavier Guérard
Vice-President and General Manager

Auditors' report to the Shareholders

We have examined the statement of assets and liabilities of The Montreal City and District Savings Bank as at October 31, 1971 and the statements of revenue, expenses and undivided profits, accumulated appropriations for losses and rest account for the financial year ended on that date. We have compared them with the books and accounts at Head Office and with the certified returns from the branches. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. In our opinion, these financial statements present fairly the financial position of the Bank as at October 31, 1971 and its revenue, expenses, undivided profits, accumulated appropriations for losses and its rest account for the financial year ended on that date.

Auditors

JEAN VALIQUETTE, C.A. of Maheu, Noël, Anderson, Valiquette & Associés.

WILLIAM A. SHANNON, C.A. of P. C. Shannon Son & Co.

Montreal, November 23, 1971.

**STATEMENT OF REVENUE,
EXPENSES AND UNDIVIDED PROFITS**
for the financial year ended October 31, 1971

REVENUE	1971	1970
Income from loans	\$ 30,571,420	\$ 27,186,777
Income from securities	12,289,774	10,813,169
Other operating revenue	4,158,144	4,334,773
Total revenue	<u>47,019,338</u>	<u>42,334,719</u>
EXPENSES		
Interest on deposits	25,989,055	25,283,084
Salaries, pension contributions and other staff benefits	8,212,676	7,753,814
Property expenses, including depreciation	2,451,099	1,984,487
Other operating expenses, including provision for losses on loans based on five-year average loss experience	2,578,567	2,436,423
Total expenses	<u>39,231,397</u>	<u>37,457,808</u>
Balance of revenue	7,787,941	4,876,911
Appropriation for losses	3,377,661	934,400
Balance of profits before income taxes	4,410,280	3,942,511
Provision for income taxes relating thereto	1,832,930	1,641,282
Balance of profits for the year	<u>2,577,350</u>	<u>2,301,229</u>
Dividends	1,400,000	1,260,000
Amount carried forward	<u>1,177,350</u>	<u>1,041,229</u>
UNDIVIDED PROFITS		
Balance at beginning of year	292,949	251,720
	<u>1,470,299</u>	<u>1,292,949</u>
Transferred to Rest account	1,000,000	1,000,000
Balance at end of year	<u>\$ 470,299</u>	<u>\$ 292,949</u>

**STATEMENT OF ACCUMULATED
APPROPRIATIONS FOR LOSSES**
for the financial year ended October 31, 1971

Accumulated appropriations at beginning of year:	1971	1970
General	\$ 5,610,770	\$ 5,741,490
Tax-Paid	2,328,598	2,714,972
	7,939,368	8,456,462
Add:		
Appropriation from current year's operations	3,377,661	934,400
Loss experience on loans less provision included in other operating expenses (1970 a deduction)	17,955	(433,219)
Profits and losses on securities including provisions to reduce securities other than those of Canada and a province to values not exceeding market (1970 a deduction)	4,933,962	(519,212)
Other profits, losses and non-recurring items, net	193	—
	16,269,139	8,438,431
Deduct:		
Provision for income taxes	1,750,260	499,063
Accumulated Appropriations at end of year:	14,518,879	7,939,368
General	10,351,297	5,610,770
Tax-Paid	4,167,582	2,328,598
	\$ 14,518,879	\$ 7,939,368

STATEMENT OF REST ACCOUNT

Balance at beginning of year	\$ 18,500,000	\$ 17,500,000
Transferred from undivided profits	1,000,000	1,000,000
Balance at end of year	\$ 19,500,000	\$ 18,500,000

PROCEEDINGS OF THE ANNUAL GENERAL MEETING

The One Hundred and Twenty-Fifth Annual General Meeting of the Shareholders was held at the Head Office of the Bank on Tuesday, January 18, 1972, at noon.

Among those present were: Messrs. Claude Allaire, Adrien Audet, Hector Ballard, Ubalde Baudry, Henri Beaulieu, Miss Mireille Beullac, Messrs. Fernand Blais, John Bloom, Mrs. Andrée Bonar, Mr. James C. Bonar, Miss Marguerite Bourdeau, Messrs. Germain Bourgeois, Jacques Bourgeois, John G. Bourne, Jacques M. Brault, Roland Breton, Roland Brien, Fabien Brin, Paul Brossard, Montague Sidney Brown, Gilles Brunel, Mrs. Simonne Carabin, Messrs. Paul A. Caron, Jean Casgrain, Mrs. Jeanne B. Casgrain, Miss Pauline Cazelaïs, Q.C., Miss Lise Champagne, Messrs. Donat Charland, Gilles Charpentier, Raymond Cloutier, André Cobetto, John N. Cole, Lionel Collin, Claude Dalphond, Mrs. George A. Daly, Messrs. Charles Edouard David, John J. Davis, Olivier Décary, Roméo Delfausse, René Delisle, Jules Derome, Miss Antoinette Desrochers, Messrs. Yves Desrochers, Peter L. Dixon, Mrs. H. S. Dolan, Mrs. Yvonne H. Doray, Messrs. Georges Dorion, Gaëtan Doyon, Miss Lillian Duckett, Messrs. Jacques Éthier, Léo Éthier, Paul Éthier, Luc Favreau, Vianney Favreau, Charles-E. Fortier, Antonio Frigon, Zénon Galarneau, J. A. Fortunat Gaudreau, Rosario Genest, Q.C., Mrs. Noreen George, Mr. C. L. Ogden Glass, Hon. Léon-M. Gouin, Q.C., Messrs. Louis J.-M. Gravel, E. Donald Gray-Donald, Mrs. Osla Gray-Donald, Messrs. François Guérard, F.-X. Guérard, Mrs. Jeanne Guérard, Messrs. John David Hackett, Michael B. Harding, Mrs. Catherine D. Hardy, Messrs. George A. Harkness, Peter Hagiepetros, Réal Héту, Mrs. Solange Hone, Messrs. Frederick Hutchings, Marc Jarry, Maurice Jarry, Mrs. Yolande D. Jean, Messrs. Pierre Jean, Jacques Julien, Austin Kennedy, Miss Hermance Lacasse, Mrs. Rachel D. Lagacé, Messrs. Eddy Lalande, Jean C. Lallemand, Paul Lambert, Miss Gilberte Landry, Messrs. Gérard Lapierre, Isidore Lapin, Mrs. Louise Larochelle, Messrs. J.-P. Larue, Robert Lasalle, Roger Lavoie, J. Arthur Lebœuf, Michel Lecours, Hugues Ledoux, Léopold Léveillé, Mostyn Lewis, E. C. Lipsit, Armand Lortie, Mrs. E. Béatrice Loucks, Messrs. G. Ross Loucks, Bernard J. Maître, Léon Martin, Mrs. Ada Mason, Messrs. Robert R. McLernon, Albert Naud, Douglas Oliver, Mrs. Helen H. Oliver, Mr. Arthur Ostiguy, Miss Monique Painchaud, Miss Suzette

Panet-Raymond, Messrs. Jacques Paquin, Q.C., Jacques Parent, Jean-Louis Parent, Gérard Parizeau, Maurice Paul, Vincent Pietracupa, Mrs. Elaine C. Power, Messrs. J. Hervé Provencher, Lucien Prud'homme, Philippe Roberge, René Saint-Cyr, Guy R. Sauviat, Léo Scharry, Miss Gabrielle Senécal, Miss Irène Senécal, Messrs. Gaston Shanks, Marcel Therrien, Jacques Thibaudeau, Miss Madeleine Thibaudeau and Mr. Robert Tremblay.

On motion by Mr. Philippe Roberge, seconded by Mr. Robert R. McLernon, Mr. E. Donald Gray-Donald took the Chair.

The President appointed Mr. Austin Kennedy to act as Secretary of the Meeting and asked Messrs. John D. Hackett and Paul Lambert to act as Scrutineers.

The notice calling the Meeting, having been read by the Secretary and found satisfactory, the President declared the Meeting regularly called and held.

On motion by Mr. John G. Bourne, seconded by Mr. Jean C. Lallemand, the minutes of the last Annual General Meeting of Shareholders were taken as read and unanimously confirmed.

The Report of the Board of Directors was read by the President, and the Secretary then read the Auditors' report.

REPORT OF THE BOARD OF DIRECTORS

Your Directors have pleasure in presenting in brief the One Hundred and Twenty-Fifth Annual Report of the Bank covering its operations for the financial year ended October 31, 1971.

Net Profits	\$ 2,577,350
Dividends to shareholders	\$ 1,400,000
Amount carried forward	\$ 1,177,350
Undivided Profits at beginning of year	\$ 292,949
	\$ 1,470,299
Transferred to Rest Account	\$ 1,000,000
Balance of Undivided Profits at end of year	\$ 470,299

STATEMENT OF REST ACCOUNT

Balance at beginning of year	\$18,500,000
Transferred from Undivided Profits ...	\$ 1,000,000
Balance at end of year	\$19,500,000

On behalf of the Board of Directors, and of myself personally, I wish to express our appreciation to the Management and staff of the Bank for their good work during the past year. There is a spirit of enthusiasm and cooperation evident throughout the organization which is most encouraging, and with this spirit the Bank can look forward to a very successful future.

On behalf of the Board,

E. Donald Gray-Donald,
President.

The scrutineers reported that 156,518 shares were present and 1,030,062 were represented by proxy at the meeting, for a total of 1,186,580 shares, or 59.32% of the capital stock.

It was then moved by Mr. E. Donald Gray-Donald, seconded by Mr. François-Xavier Guérard, that the Financial Statements and reports submitted to this meeting be adopted. The motion was carried unanimously.

On motion by Mr. Claude Allaire, seconded by Mr. Bernard Maître, it was unanimously resolved that Messrs. Jean Valiquette, C.A., and William A. Shannon, C.A., be appointed Auditors for the ensuing year and that their remuneration be set at a total amount of \$25,000.00 to be divided between them according to the time devoted by each to the affairs of the Bank.

On motion by Mr. C. L. Ogden Glass, seconded by Mr. Marc Jarry, By-Law "O" was unanimously rescinded and replaced by the following By-Law "O":

"The Annual General Meeting of the Shareholders of this Bank shall be held on the second Wednesday of December in each year, as from Wednesday, December 13, 1972. If that day be a legal holiday, the meeting shall be held on the next following day which is not a legal holiday."

Mr. Guy R. Sauviat moved, seconded by Mr. Fernand Blais, that the following gentlemen be nominated as Directors for the ensuing year and that the Secretary cast one ballot, that sole ballot to be considered as the unanimous vote of the meeting.

Messrs. John G. Bourne, C. L. Ogden Glass, Louis J.-M. Gravel, E. Donald Gray-Donald, François-Xavier Guérard, Michael B. Harding, Marc Jarry, Jean C. Lallemant, Robert R. McLernon, Philippe Roberge.

There being no further nominations, the President then declared the nominations closed, and the above resolution was unanimously adopted.

The scrutineers reported that the above nominated gentlemen had received the unanimously vote of the Shareholders present at the meeting, and the President declared them elected as Directors of the Bank for the ensuing year.

Mr. John N. Cole moved the adoption of the following resolution: "That the thanks of the meeting are hereby tendered to the President and Directors, Vice-President and General Manager, other officers of the Bank, and all the members of the Staff for the results achieved during the last financial period and for their careful attention to the interests of the Bank."

This resolution was seconded by Mr. Marcel Therrien and carried with applause.

There being no further business the meeting was then terminated.

At a meeting of the Board of Directors, held immediately after the shareholders' meeting, Mr. E. Donald Gray-Donald was elected President of the Bank, and Mr. François-Xavier Guérard was elected Vice-President.

DEPARTMENTS AND BRANCHES

Departments	Supervisors		
Acting Comptroller	Léon Martin	6270 Monk Blvd.	Jean-Claude De Grasse
Advertising	Jacques Bourgeois	5487 Monkland Avenue	Normand Landry
Foreign Exchange	Léo Éthier	1100 Mount Royal Avenue East	Camille Cartier
Marketing	Roger Lavoie	2046 Mount Royal Avenue East	Robert Brossard
Methods and Procedures	Jacques Éthier	1420 Notre Dame Street West	Claude Desmarais
Mortgage Loans	Fernand Richer	1551 Ontario Street East	Guy Pelletier
Personal Loans	Robert Larocque	3720 Ontario Street East	Édouard Gervais
Premises	Gilles Brunel	7705 Papineau Avenue	Berthold Bednarchuk
		5059 Park Avenue	Georges Blouin
		5677 Park Avenue	Gilles Beausoleil
		936 St. Catherine Street East	Victor Paquette
		2400 St. Catherine Street East	Louis-Philippe Lessard
		3290 St. Catherine Street East	Roger Marcoux
		777 St. Catherine Street West	René McCann
		1220 St. Catherine Street West	Jean-Guy St-Onge
		1472 St. Catherine Street West	Léopold Tassé
		4190 St. Denis Street	René Roger
		5000 St. Denis Street	Gilles Madore
		7501 St. Denis Street	Georges Cournoyer
		8090 St. Denis Street	Édouard MacDonald
		262 St. James Street West	Jules Dumais
		2401 St. James Street West	Arthur Boyer
		4080 St. James Street West	Michel Blain
		3730 St. Lawrence Blvd.	Roland Lamontagne
		4467 St. Lawrence Blvd.	Roger Pontbriand
		6700 St. Lawrence Blvd.	Raymond Coderre
		7192 St. Michel Blvd.	Roma Thifault
		8930 St. Michel Blvd.	Paulin Lemire
		801 Sherbrooke Street East	André Ladouceur
		6615 Sherbrooke Street East	Albert Gauthier
		245 Sherbrooke Street West	Gérald Charest
		5651 Sherbrooke Street West	Patrick Farmer
		6260 Sherbrooke Street West	Ernest Levesque
		7420 Sherbrooke Street West	Jean-M. Benson
		6640 Somerled Avenue	Yvon Labrecque
		4790 Van Horne Avenue	Jean Loiselle
Branches	Managers		
Montreal			
400 Beaubien Street East	Gilbert Barrette		
3160 Beaubien Street East	Lucien Deslauriers		
4945 Beaubien Street East	Marcel Provost		
1101 Bélanger Street East	Adrien Boismenu		
4155 Bélanger Street East	Marcel Collette		
290 Chabanel Street West	Roger Cormier		
1100 Condé Street	Roland Désormeaux		
5990 Côte des Neiges Road	Jean-Paul Fluet		
6225 Darlington Avenue	Marcel Lauzon		
5159 Décarie Blvd.	Jean Lapostolle		
6290 Décarie Blvd.	Yvon Couture		
1493 De LaSalle Avenue	Raymond Crevier		
6500 De Lorimier Avenue	Pierre Leblanc		
2490 De Salaberry Street	Armand Roy		
885 Fleury Street East	Roger Bourgon		
2200 Fleury Street East	Jean-Paul Bolduc		
50 Henri-Bourassa Blvd. West	François Daoust		
8595 Hochelaga Street	Ernest Bougle		
2490 Jean-Talon Street East	Lucien Lachance		
555 Jean-Talon Street West	Lionel Pesant		
9095 Lajeunesse Street	Henri Perslco		
2937 Masson Street	Jean Thériault		

FOREIGN AGENTS

Anjou

6651 Joseph-Renaud Blvd. Gilles Lavigne

Côte St. Luc

5479 Westminster Avenue Lucien St-Pierre

Dorval

325 Dorval Avenue Morgan McCarthy

LaSalle

8787 Newman Blvd. Joseph Denino

Laval

510 des Laurentides Blvd. Jean Lefebvre
750 Montrose Street André Allaire
3870 Notre Dame Blvd. Jean-Paul Trépanier
4640 Samson Blvd. André Joly

Longueuil

4 St. Charles Street East Jean Mercure

Montreal North

4135 Amiens Street René Laverdière
5501 Henri-Bourassa Blvd. E. Claude Poisson

Pointe-aux-Trembles

12050 Sherbrooke Street East Roméo Gauthier

Roxboro

10451 Gouin Blvd. West Aimé Cullerier

St. Lambert

400 Victoria Avenue Oswald Ashton

St. Laurent

865 Décarie Blvd. Gilles Bellemare
445 Laurentian Blvd. Maurice Beaudry
1430 Poirier Street Réal Toupin

St. Léonard

5900 Bélanger Street East Denis Lavigne
4725 Jarry Street East Raymond Hébert
5355 Jean-Talon Street East Roger Majeau

Verdun

5501 Verdun Avenue Roland Cusson
4214 Wellington Street Jean Bazinet

Westmount

4848 Sherbrooke Street West Charles Bilodeau

Belgium

Société Générale de Banque S.A.

England

Bank of Montreal

France

Crédit Lyonnais

Germany

Deutsche Bank A.G.

Greece

National Bank of Greece S.A.

Israel

Bank Leumi Le Israel B.M

Italy

Credito Italiano

Portugal

Banco Portugues do Atlantico
Banco Totta & Açores

United States

Bank of Montreal
First National City Bank
Bankers Trust Company

Spain

Banco Hispano Americano

Switzerland

Union Bank of Switzerland

**MONTREAL CITY AND DISTRICT
TRUSTEES LIMITED ***

Founded in 1939.

Head Office: 1253 McGill College Avenue,
Montreal 110.



Board of Directors

E. Donald Gray-Donald
Chairman of the Board

Marc Jarry
President

Jean C. Lallemand
Vice-President

C. L. Ogden Glass
Vice-President

John G. Bourne

Robert R. McLernon

François-Xavier Guérard

Louis J.-M. Gravel

Michael B. Harding

Philippe Roberge

Hector Ballard

** Montreal City and District Trustees Limited is a
wholly owned subsidiary of The Montreal City
and District Savings Bank.*

STATEMENT OF REVENUE, EXPENSES AND UNDIVIDED PROFITS
for the financial year ended October 31, 1971

REVENUE	1971	1970 (Restated Note 6)
Fees and commissions	\$ 671,228	\$ 612,757
Income from securities	1,205,808	1,113,402
Total revenue	<u>1,877,036</u>	<u>1,726,159</u>
 EXPENSES		
Interest paid	856,970	793,605
Salaries, pension contributions and other staff benefits	560,543	509,546
Other operating expenses	231,901	186,005
Total expenses	<u>1,649,414</u>	<u>1,489,156</u>
Balance of revenue	227,622	237,003
Mortgage contingency reserve	6,534	40,682
	<u>221,088</u>	<u>196,321</u>
Net loss on securities	2,753	5,005
Balance of profits before income taxes	218,335	191,316
Provision for income taxes relating thereto	93,822	86,633
Balance of profits for the year	<u>124,513</u>	<u>104,683</u>
Dividends paid	60,000	60,000
Amount carried forward	64,513	44,683
 UNDIVIDED PROFITS		
Balance at beginning of year	123,712	79,029
	<u>188,225</u>	<u>123,712</u>
Transfer from Reserve on securities	150,000	—
	<u>338,225</u>	<u>\$ 123,712</u>
Transfer to Reserve fund	200,000	—
Balance at end of year	<u>\$ 138,225</u>	<u>\$ 123,712</u>
 RESERVE FUND		
Balance at beginning of year	\$ 600,000	\$ 600,000
Transfer from Undivided profits	200,000	—
Balance at end of year	<u>\$ 800,000</u>	<u>\$ 600,000</u>

MONTREAL CITY AND DISTRICT TRUSTEES LIMITED

BALANCE SHEET AS AT OCTOBER 31, 1971

ASSETS	1971	1970
Cash and bank deposit receipts	\$ 1,169,208	\$ 816,845
Secured demand loans (Note 3)	162,049	186,610
Advanced to estates, trusts and agencies	836,177	900,184
Accrued interest	247,415	258,347
	<u>\$ 2,414,849</u>	<u>\$ 2,161,986</u>
SECURITIES (Notes 1 and 3)		
Bonds at amortized cost		
Government of Canada	\$ 9,804	\$ 106,615
Provinces	3,246,273	3,043,162
Municipalities and schools	1,545,749	1,453,196
Others	531,720	739,318
Stocks at cost	143,140	88,418
	<u>\$ 5,476,686</u>	<u>\$ 5,430,709</u>
Mortgage loans (Note 3)	\$ 5,790,146	\$ 5,907,208
Real Estate (depreciated cost)	167,184	69,970
Furniture and equipment (depreciated cost)	53,010	44,824
Other assets	3,727	31,627
	<u>\$ 6,014,067</u>	<u>\$ 6,053,629</u>
TOTAL	<u>\$13,905,602</u>	<u>\$13,646,324</u>
ASSETS UNDER ADMINISTRATION		
Estates, Trust and Agency accounts	\$79,638,954	\$75,147,499
Company's and Guaranteed account	\$13,905,602	\$13,646,324
	<u>\$93,544,556</u>	<u>\$88,793,823</u>

Approved on behalf of the Board,
MARC JARRY, President
HECTOR BALLARD, General Manager

Auditors' Report

We have examined the balance sheet of Montreal City and District Trustees Limited as at October 31, 1971 and the statements of income and expenses and undivided profits for the year ended at that date. We have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

As at October 31, 1971 we have verified the cash and securities of the Company and of the guaranteed accounts. During the financial period we have verified these same securities and those held in safekeeping and those held for trust accounts administered by the Company. The securities and funds of the Company are kept separate from those held in safekeeping. In trust, in guaranteed accounts or against loans and advances and are earmarked in the books so as to show to which account they belong.

In our opinion, according to the best of our information and the explanations given to us and as shown by the books of the Company, these financial statements present fairly the financial position of the Company as at October 31, 1971 and the results of its operations for the year ended at that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Auditors :

JEAN VALIQUETTE, C.A. of Maheu, Noël, Anderson, Valliquette & Associés.

WILLIAM A. SHANNON, C.A. of P. C. Shannon Son & Co.

Montreal, November 23, 1971.

LIABILITIES

	1971	1970
Provision for taxes	\$ 15,874	\$ 17,833
Other liabilities	251,525	187,557
Guaranteed deposits (Note 4)	1,630,083	1,332,288
Guaranteed investment certificates (Note 4)	9,981,012	10,143,956
	<u>\$11,878,494</u>	<u>\$11,681,634</u>
Reserve on securities	\$ 250,000	\$ 400,000
Reserve for mortgage contingency	88,883	90,978
	<u>\$ 338,883</u>	<u>\$ 490,978</u>

SHAREHOLDERS' EQUITY**Capital Stock**

Authorized 10,000 shares of \$100.00 par value each
 Issued and Fully Paid 3,750 Shares (Note 2)

	\$ 375,000	\$ 375,000
Contributed surplus	375,000	375,000
Reserve fund	800,000	600,000
Undivided profits	138,225	123,712
	<u>\$ 1,688,225</u>	<u>\$ 1,473,712</u>
TOTAL	<u>\$13,905,602</u>	<u>\$13,646,324</u>

NOTES :

- (1) Government of Canada and provincial bonds at amortized cost and all other securities at market value amount to \$5,363,505.
- (2) The Montreal City and District Savings Bank owns all the issued capital stock of Montreal City and District Trustees Limited which is carried in the books of the bank at \$750,000.
- (3) Maturities of investments of the guaranteed deposits and guaranteed investment certificates are as follows :
 59% within 3 years;
 27% between 3 and 5 years;
 14% after 5 years.
- (4) Maturities of guaranteed deposits and guaranteed investment certificates are as follows :
 40% within one year;
 14% between 1 and 2 years;
 10% between 2 and 3 years;
 12% between 3 and 4 years;
 24% between 4 and 5 years.

- (5) Claims against the company of approximately \$13,300 are in dispute and are not reflected in the attached balance sheet.
- (6) Amortization of discount on bonds is included with income from securities in 1971. In 1970 this amounted to \$8,446 and was included with profit on securities. The 1970 figures on the statement of revenue, expenses and undivided profits have been restated to reflect this change.

MONTREAL CITY AND DISTRICT TRUSTEES LIMITED

EXECUTIVE OFFICERS

Marc Jarry,
President

Hector Ballard,
General Manager

Lionel Malo,
Assistant General Manager and Treasurer

J. Noé Delorme
Secretary

DEPARTMENTS

Settlement of estates

Estate planning

Administration of estates and trusts

Management and safekeeping of securities
and: Retirement saving plans
Transfer agent and registrar
Trustee for pension plans
Trustee for bonds issues

Real Estate
Administration
Sale and purchase
Mortgage loans

Guaranteed investment certificates

Preparation of income tax returns

OFFICERS

Jean-Louis Durand

Julien Lambert

Laurier Levac

Maurice Fortier

Claude Mathieu

Lionel Malo

Guy Lalonde

